

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

IN RE:	§
	§ CASE NO. 10-60149
LACK'S STORES, INCORPORATED, ET AL.¹	§
	§ (Chapter 11)
	§ (Jointly Administered)
DEBTORS.	§

**NOTICE OF SALE HEARING
(DEBTOR'S STORE NO. 125 - REAL PROPERTY LEASE)**

On January 12, 2011, the Court entered its *Order Approving Procedures and Bid Protections for the Sales and Assignments of Real Property Leases Free and Clear of Liens, Claims, Encumbrances, and Other Interests (Real Property Leases)* [Docket No. 364] (the “Sale Procedures Order”) in which it approved, among other things, a procedure for the sale and assignment of certain unexpired leases of non-residential real property in which Lack's Stores, Incorporated (“Lack's”) has an interest.

Lack's and RoomStore, Inc. have executed that certain Assignment and Assumption of Lease dated effective as of February 1, 2011 (the “Assignment Agreement”) relating to the unexpired lease of non-residential real property located at **8611 Perrin Beitel Road, San Antonio, Texas 78217** (the “Real Property Lease”). A copy of the Assignment Agreement is available free of charge at www.kccllc.net/lacks. Lack Properties, Lack's Stores, Incorporated, Merchandise Acceptance Corporation, and Lack's Furniture Centers, Inc. (collectively, the “Debtors”) will seek Court approval of the Assignment Agreement, pursuant to, among other provisions, Bankruptcy Code §§ 363 and 365. The Debtors propose that the sale and assignment be free and clear of all liens, claims, encumbrances, and other interests with any holder's lien, claim, encumbrance, or other interest attaching to the proceeds of the sale, with the same nature, validity, and priority of that interest prior to the proposed sale. The Real Property Lease will be sold on such other terms set forth in the *Debtors' Expedited Motion to Approve Procedures and Bid Protections for the Sales and Assignments of Real Property Leases Free and Clear of Liens, Claims, Encumbrances, and Other Interests (Real Property Leases)* [Docket No. 233].

According to the Debtors' books and records, the amount necessary to cure all defaults under the Real Property Lease subject to this Notice is as follows:

Landlord (as defined in the Real Property Lease) will receive cash payment in the amount of \$17,918.95 and the Landlord reserves its right to assert a general unsecured claim with respect to other amounts owing under the Real Property Lease.

¹ The Debtors and the last four digits of their tax identification numbers are Lack's Stores, Incorporated (6528), Merchandise Acceptance Corporation (0972), Lack's Furniture Centers, Inc. (9468), and Lack Properties, Inc. (8961).

The following dates and deadlines apply to the sale of the Real Property Lease as contemplated under the Assignment Agreement:

- Objection Deadline: February 25, 2011, at 5:00 p.m., Central Time
- Hearing Date: March 2, 2011, at 1:00 p.m., Central Time, at the United States Courthouse, Courtroom of the Honorable Jeff Bohm, 515 Rusk Avenue, Houston, Texas, 77002

If you oppose the sale and assignment of the Real Property Lease, the cure payment to be made on account of such Real Property Lease, or the providing of adequate assurance of future performance under the Real Property Lease, you must timely file and serve an objection. You should read the *Debtors' Expedited Motion to Approve Procedures and Bid Protections for the Sales and Assignments of Real Property Leases Free and Clear of Liens, Claims, Encumbrances, and Other Interests (Real Property Leases)* [Docket No. 233], the Sale Procedures Order, and this Notice carefully as your rights may be affected.

All requests for information concerning the Real Property Lease should be directed in writing to DJM Realty Services, LLC, Attn: Jim Avallone, 445 Broadhollow Road, Suite 225, Melville, New York, 11747, (o) 631.927.0024, (f) 631.752.1231, javallone@djmrealty.com.

Dated: February 9, 2011

Respectfully submitted,

VINSON & ELKINS LLP

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